



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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July 8, 2004

TO: Rob Fukai, Director
Department of General Administration

FROM: Marty Brown, Director *MB*

SUBJECT: ADDITIONAL INSTRUCTIONS FOR AGENCY BUDGET SUBMITTALS

The Priorities of Government (POG) team studying how to improve the ability of state government to achieve results efficiently and effectively has now completed its work. We have selected recommendations from this team's effort to be completed as part of the budget development process.

I apologize that these additions to my June 11 instruction memo come so late in your budgeting process, but they are very important. I truly appreciate the hard work your staff has done to enable this new POG team to fulfill its responsibilities. These recommendations will help us address the critical issue of administrative efficiency that was not adequately covered in the last POG effort.

Please take the following four principles into consideration as you develop the requested proposals:

- ***The "Get Results, Get the Job Done" Principle:*** Our strategies must help agencies (results teams) get their work done – deliver their results to the citizens.
- ***The "Customer-Centered" Principle:*** Our strategies must be customer-centered and should be seamless, fair, and understandable to customers.
- ***The "Risk-Appropriate and Value-Added" Principle:*** Our strategies to increase trust in government must be appropriate to the amount of risk that they avoid, and they must add value for citizens.
- ***The "Enterprise Solution" Principle:*** Our strategies to improve efficiency and effectiveness must encourage enterprise solutions where appropriate. They must encourage information and resource sharing.

We ask that your agency submit the following information by September 17:

1. The Office of Financial Management and the Department of General Administration should evaluate the potential impact of various incentives in promoting green building practices in both state owned and leased facilities. In addition, OFM should consider developing capital budget instructions to include green building specifications and recognize the funding, including potential revenue sources, needed to support the incentives and practices.
2. Develop a budget proposal for a renewable energy and efficiency reinvestment fund that provides funding for future energy efficiency projects on the basis of savings generated from existing projects.
3. The Department of General Administration, in coordination with The Office of Financial Management and the Department of Information Services, should develop a proposal for a strategic sourcing effort to determine the best approach to manage state spending on goods and services by state agencies, resulting in lower product and processing costs.
4. The Department of General Administration, in coordination with other agencies, should submit a proposal on supply chain management with the objective of reducing the costs of procurement, inventory, warehousing, and the transportation of the goods and services. .
5. The Department of General Administration, in consultation with Department of Information Services and the Office of Financial Management, should develop a plan to improve and simplify a vendor's/supplier's/partner's ability to do business with the state and improve the state's ability to understand and manage its relationship with its vendors.
6. The Office of Financial Management in consultation with the Department of Personnel and the Department of General Administration, should develop a proposal to align and centralize responsibility for master contracts for training and consulting services to reduce redundancy, lower costs to agencies and better align core competencies.
7. In coordination with other agencies, develop a proposal for achieving greater efficiency in mail service to state agencies, including a cost-effective means of reducing duplicative metering, inserting and courier services without reducing customer service.
8. In consultation with large, medium, and small agencies, develop a proposal for the development of a coordinated state master space plan, beginning with Thurston County facilities. The proposal shall include a means to track the inventory of state owned and leased facilities, prioritize state needs, optimize the use of state controlled space and track facility management activities.
9. Develop standards on the best utilization of warehouse space and the transportation and management of surplus goods.
10. The Department of Information Services, in consultation with the Office of Financial Management and the Department of General Administration, should develop a proposal to institutionalize the Small Agency Initiative and to plan for and implement facility and IT infrastructure needs of small agencies.
11. The State Printer and the Department of General Administration should develop a proposal that will improve efficiencies in the use of copy centers currently located in state government.

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12. The Department of Information Services and the Information Services Board, in partnership with the Office of Financial Management and Department of General Administration, should develop a proposal to establish more effective statewide information technology asset management standards and practices, including shared sourcing, shared services, and shared maintenance and operation.

Thank you in advance for your continued good work and cooperation in this effort.

cc: Agency Budget Director